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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP DBA)	
ROCKY MOUNTAIN POWER'S APPLICATION)	CASE NO. PAC-E-15-11
TO APPROVE ITS POWER PURCHASE)	
AGREEMENT WITH CONSOLIDATED)	COMMENTS OF THE
IRRIGATION COMPANY.)	COMMISSION STAFF
)	
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Daphne Huang, Deputy Attorney General, and in response to the Notice of Application and Notice Modified Procedure issued September 29, 2015, submits the following comments.

BACKGROUND

On September 18, 2015, PacifiCorp dba Rocky Mountain Power (Rocky Mountain) filed an Application asking the Commission to approve its Power Purchase Agreement with Consolidated Irrigation Company (CIC). Under the Agreement, CIC would sell and Rocky Mountain would purchase, electric power generated by CIC's facility – a “qualifying facility” under the Public Utility Regulatory Policies Act (PURPA) – in Preston, Idaho.

On September 11, 2015, Rocky Mountain entered into its Agreement with CIC pursuant to the terms and conditions of various Commission Orders, and under PURPA. Application at 2-3, *citing* Order Nos. 33305, 30480, Errata to 30480. Under PURPA, electric utilities must purchase electric power from “qualifying facilities” (QFs) at rates approved by this Commission. 16 U.S.C. § 824a-3; *Idaho Power v. Idaho PUC*, 155 Idaho 780, 789, 316 P.3d 1278, 1287 (2013). The purchase or “avoided cost” rate shall not exceed the “incremental cost” to the utility, defined as the cost of energy which, “but for the purchase from [the QF], such utility would generate or purchase from another source.” 16 U.S.C. § 824a-3(d); 18 C.F.R. § 292.101(6) (defining “avoided cost”).

Rocky Mountain states that CIC’s facility is a hydroelectric QF under PURPA with a capacity rating of 481 kilowatts (kW). Application at 2.

“[U]nder the terms of the Agreement, [CIC] elected to contract with the Company for a term of approximately 20 years.” *Id.* Rocky Mountain agreed to pay non-levelized, Conforming Energy or Non-Conforming Energy Purchase Prices for the power provided by CIC. *Id.*

The Agreement will not become effective until the Commission has approved it and determined “that the prices to be paid for energy and capacity are just and reasonable and in the public interest, and that all of the costs incurred by [Rocky Mountain] for purchasing capacity and energy from CIC are legitimate expenses.” *Id.* at 3.

Rocky Mountain anticipates CIC will achieve its commercial operation date before its effective date. *Id.*

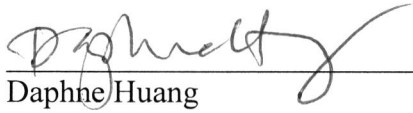
STAFF ANALYSIS

Staff has reviewed the proposed rates and confirms that they are correct. All other terms and conditions contained in the proposed Agreement are consistent with prior Commission orders.

RECOMMENDATIONS

Staff recommends that the Commission approve all of the Agreement’s terms and conditions declare that all payments made by Rocky Mountain Power to Consolidated Irrigation Company for purchase of energy will be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 20th day of October 2015.


Daphne Huang
Deputy Attorney General

Technical Staff: Yao Yin

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 20TH DAY OF OCTOBER 2015, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-15-11, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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